

## **Resolution Announcement of the 4<sup>th</sup> Session of the 6<sup>th</sup> Board Meeting of Supervisors of Shanghai Mechanical & Electrical Industry Co., Ltd.**

The Notice of the Company's 4<sup>th</sup> Session of the 6<sup>th</sup> Board Meeting of Supervisors was sent in written form to the supervisors on March 30<sup>th</sup>, 2010. The Meeting was convened at the Company's conference room on April 7<sup>th</sup>, 2010 with 5 out of 5 supervisors participating. Presided over by Chairman Yu Yingui and attended by the persons involved as nonvoting delegates. The Meeting accorded with the related laws, rules, regulations and articles of association.

I. The meeting passed the following solutions:

The Meeting reviewed and approved the Company's 2009 Work Report by Board of Supervisors and forwarded it to the 2009 shareholders meeting for review and voting.

II. The meeting reviewed 2009 Annual Report and Abstract, 2009 Work Report by Board of Directors, 2009 Work Report by General Manager, 2009 Financial Final Accounts Report, and 2009 Proposals of Profits Distribution, etc, which were approved by the Company's 7<sup>th</sup> Session of the 6<sup>th</sup> Board Meeting.

After careful discussions, the board of supervisors holds that:

1. The information in the 2009 Annual Report truly reflects the Company's financial status and business achievements in 2009 as Anyong-Huaming Accounting Firm has audited the economic indices in the 2009 Annual Report and Abstract and published the audit report with no reserved opinion.
2. The 7<sup>th</sup> Session of the Company's 6<sup>th</sup> Board Meeting's procedures of reviewing and approving the 2009 Annual Report accorded with the related laws, rules, regulations and articles of association and the Company's internal regulations.
3. The contents and format of the Annual Report were in compliance with the regulations of China Securities Regulatory Commission and Shanghai Stock Exchange.
4. No violation against confidentiality was found among the drafters and reviewers of the Report.

All the supervisor participants approved the issuing of the opinions above.

All the matters above are announced hereby.

The Board of Supervisors of Shanghai  
Mechanical & Electrical Industry Co., Ltd.  
April 9<sup>th</sup>, 2010